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Estate Planning for Digital Assets

When Safe Isn't Actually Secure

Imagine you own a digital asset like Bitcoin. Now imagine you own $220 million worth of Bitcoin. Lastly, close your eyes, think of all that money and imagine you lost the password, and then POOF! All that money is gone. Unimaginable? Actually, no: that's what happened to Stefan Thomas, who stored over 7,000 Bitcoins on a secure hard drive designed to encrypt its contents after ten incorrect password attempts.

Making sure you know your passwords is important, but with digital assets, a similar situation can arise if you pass away. Unlike funds held at a major financial institution where your heirs can gain account access relatively easily, gaining access to digital assets can create a considerable, if not insurmountable challenge. To make matters worse, your heirs may not even realize you possess certain digital assets.

That makes planning even more important. Create lists of all your accounts, login information, passwords, etc. Include any digital assets you own, and how those assets are held: Through a third-party service, in a hot or cold wallet, etc.

And then make sure your security precautions don't result in unintended consequences. Just like many phones use facial recognition software as a "password," some crypto wallets are also protected by facial recognition. While effective when you're alive, biometric recognition can be highly problematic if you unexpectedly pass away. Take the time to ensure the person or persons you designated as agents, trustees, or fiduciaries can access your assets if you're unable to.

After all, you worked too hard to let a lost password deprive your loved ones of any assets you plan to pass on.

Can You Guess this Legacy?

She won five Primetime Emmys, a Daytime Emmy, a Lifetime Achievement Emmy, and a Screen Actors Guild Lifetime Achievement Award. In 2014, seven years before she passed, the Guiness Book of World Records named her the holder of the longest female television career.

Yet that is not all she left behind. In 1954, she hosted a variety show that featured Arthur Duncan, a Black tap dancer. Although pressured to let him go due to his race, she refused. Later, Duncan called her "the biggest influence on (my) career." She was also a longtime animal rights activist, donating time and money to shelters and organizations like the American Humane Association and Fund for Animals.

Yet Betty White's most lasting legacy may be her carefree attitude and constant sense of joy. She once called herself a "cockeyed optimist" whose carefree attitude came from refusing to take life—much less herself—too seriously.

What will your legacy be?

How to Deliver a Meaningful Eulogy

While being asked to deliver a eulogy for a loved one or friend is an honor, it's natural to feel nervous about crafting a speech that celebrates your loved one's life and provides comfort to those left behind. The key?

Keep it simple. First, decide which type of eulogy you'll give: Life history or shared memories. Life histories are fact-based and appropriate when you didn't know the departed individual particularly well. Shared memories focus on a few shared experiences that highlight an attribute or quality—and allow the audience to reflect upon a few of their own shared memories. Just don't be too specific. Make sure the audience can relate to and connect with the stories you share.

Feel free to mix humor with sadness. A great eulogy mourns a loved one's passing, yet also celebrates his or her life. And most importantly, keep it brief. The longer your speech, the more the focus shifts to you instead of the person whose life you are celebrating and mourning.

The SECURE Act and Your Estate Plan

How Your Retirement Accounts Are Impacted

Prior to the Setting Every Community Up for Retirement Enhancement Act, or SECURE Act for short, most beneficiaries of retirement accounts could stretch disbursements from inherited accounts over their own life expectancy.

Post-SECURE Act, those funds must be distributed to most beneficiaries under the ten-year rule. The ten-year rule requires a complete distribution of the funds by the end of the tenth year following the year the retirement account owner passed away. However, a few special beneficiaries can still stretch the distributions over their life expectancy. These special, "eligible designated beneficiaries" are:

- A surviving spouse
- A minor child (but not grandchildren) (prior to the beneficiary reaching age 21, when the ten-year rule begins)
- An individual with a disability
- An individual with a chronic illness
- An individual who is not more than 10 years younger than the decedent

A trust as a beneficiary might qualify, if it meets special requirements. However, a qualifying trust must take distributions based on the underlying beneficiary's circumstances.

In the past, "conduit" trusts were used to calculate the Required Minimum Distributions (RMDs) solely based on the first beneficiary's life expectancy. A conduit trust forces distributions to the beneficiary when such distributions come out from the retirement plan to the trust. After SECURE, in most circumstances, a conduit trust will no longer help by providing a stretch of distributions, due to the ten-year rule, so it may make sense to revise your trust to achieve your goals, if you haven't already done so and the funds are withdrawn.

If a retirement account is left directly to a beneficiary and the funds are withdrawn, those funds may be subject to the time and expense of probate. Simply making a trust the beneficiary of that account ensures the funds do not enter probate and pass directly to that trust. (That's also true for most tangible assets like non-retirement accounts, life insurance, etc. Absent a trust, those assets may be subject to the delays, expense, and lack of confidentiality inherent in the probate process.)

SECURE added further complications to an already complicated area of the law. If you have named a trust as the beneficiary of your IRA, Roth IRA, 401k, or other retirement plan, the SECURE Act may have a dramatic effect on your estate plan. This is another example of why it's important to sit down and look at your plan periodically. If it's been at least three years since we've reviewed your plan, call our office to see if it's time for you to come in for a review.

When Enough Is Too Much

How to Manage Chronic Pain

Approximately two out of three people experience some degree of chronic discomfort that adversely impacts physical, emotional, and overall well-being. While medication may help alleviate the symptoms of chronic pain, there are other practices you can add to your daily regimen to help reduce your discomfort.

For example, relaxation techniques like mediation or deep breathing can ease pain by relieving muscle tension. Find a comfortable place to sit or lie down, try to block out distractions and distracting thoughts, focus on breathing slowly and deeply, and let the stress melt away.

Speaking of stress, eliminating as much worry and anxiety as possible can also help alleviate chronic pain.

Research shows cortisol, a chemical by-product of stress, sensitizes peripheral nerve endings and can even increase inflammation and therefore pain. Listen to calming music, spend time with family and friends, or help other people. Research shows providing help to others can mitigate the impact of daily stressors on emotions and mental health.

Oddly enough, endorphins naturally produced during exercise can also help block pain signals and improve overall mood. Improving muscle strength and flexibility can also prevent re-injury and reduce pain. So can eating healthier! A well-balanced diet improves digestion, keeps weight under control (therefore reducing the load on your joints), and usually improves blood sugar and cholesterol levels.

And don't forget the power of your mind. As the Stoics would say, you can't always control what happens to you, but you can control how you respond. Focus on the pain and you're likely to feel even worse. Find things you like doing and your focus will shift.

You might not be able to control the pain you feel, but you can choose not to let that pain control you.

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To check our current schedule of free estate planning seminars, schedule a review of your existing estate plan, or to arrange for an initial consultation, please contact AMBLER | KEENAN | MITCHELL | JOHNSON at (303) 407-1542 or at **www.Ambler-Keenan.com**.